



Department of State **TELEGRAM**

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ACTION EA-09

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 OMB-01

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R 020306Z JUL 76  
FM AMEMBASSY KUALA LUMPUR  
TO SECSTATE WASHDC 3862  
INFO AMEMBASSY BANGKOK  
AMEMBASSY CANBERRA  
AMEMBASSY JAKARTA  
AMEMBASSY MANILA  
AMEMBASSY SINGAPORE

C O N F I D E N T I A L SECTION 1 OF 2 KUALA LUMPUR 3785

NOFORN

E.O. 11652: GDS

TAGS: PINT, MY

SUBJECT: SABAH MY BY-ELECTIONS; NOMAD CRASH REPORT

REF: (A) KUALA LUMPUR 3547, (B) KUALA LUMPUR 3421, (C) KUALA LUMPUR 3239

1. SUMMARY. BY-ELECTIONS FOR FIVE SABAH ASSEMBLY SEATS VACATED WHEN CHIEF MINISTER AND FOUR OTHER CABINET MEMBERS DIED IN AIR CRASH JUNE 6 WILL BE HELD JULY 31. BERJAYA LEADERS SEEM CONFIDENT THEY WILL WIN ALL FIVE CONTESTS AND SEEM RELATIVELY SECURE IN THEIR NEW POSITIONS, ALTHOUGH FEAR OF TUN MUSTAPHA'S USNO STILL PERSISTS. ACCORDING TO AUSTRALIAN SOURCE, CRASH OF AIRCRAFT NOT DUE TO SABOTAGE BUT TO PILOT ERROR. END SUMMARY.

2. NOMINATION DAY FOR BY-ELECTIONS IN SABAH TO REPLACE LATE CHIEF MINISTER TUN MOHD FUAD STEPHENS AND FOUR OTHERS KILLED IN AIR CRASH JUNE 6 (REF B) HAVE  
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BEEN SET FOR JULY 15. BERJAYA PARTY'S ACTING PRESIDENT (AND FUAD'S REPLACEMENT AS CHIEF MINISTER) DATUK HARRIS SALLEH ANNOUNCED JUNE 29 THAT PARTY COMMITTEE WILL MEET THIS WEEK TO FINALIZE SELECTION OF FIVE CANDIDATES AND PREPARE FOR ELECTIONS WHICH WILL TAKE PLACE JULY 31. ALTHOUGH OPPOSITION USNO PARTY HAS ANNOUNCED IT WILL NOT CONTEST THE BY-ELECTIONS BECAUSE IT HAS BEEN ADMITTED TO NATIONAL FRONT (FN) WITH BERJAYA (REF A), AT LEAST SOME SEATS ARE EXPECTED TO BE CONTESTED BY INDEPENDENTS, AND CANDIDATES FROM SABAH CHINESE ASSOCIATION, BERSATU AND PEKEMAS ON POLLING DAY.

3. DESPITE USNO'S WITHDRAWAL FROM CONTEST, HARRIS SALLEH AND OTHER BERJAYA LEADERS INDICATED TO POL SECTIION CHIEF LAST WEEK THAT THEY HAD NO INTENTION OF FORMING A COALITION AND WOULD CAREFULLY REVIEW APPLICATOONS FROM FORMER SSNO-SABAH ALLIANCE LUMINARIES WHO WISH TO SWITCH SIDES. THIS ATTITUDE WAS REFLECTED IN A PUBLIC ANNOUNCEMENT LAST WEEK BY ACTING BERJAYA SECRETARY JOSEPH PAIRIN KITINGAN (A YOUNG ENGLISH-EDUCATED KADAZAN LAWYER CURRENTLY SERVING AS ASSISTANT MINISTER IN THE CHIEF MINISTER'S OFFICE) WHICH CALLED FOR USNO TO CONTINUE IN OPPOSITION BUT TO EMPHASIZE CONSTRUCTIVE RATHER THAN DESTRUCTIVE CRITICISM OF BERJAYA STATE GOVT ACTIONS. KITINGAN TOLD EMBOFF THAT BERJAYA CONTINUED TO MISTRUST USNO, WHICH NOW BEING DIRECTED BY SYED KECHIK AND DZULKIFLI HAMID REPLACING TUN MUSTAPHA. HE EXPECTS USNO WILL ENCOURAGE AND SUPPORT INDEPENDENTS, TINY BERSATU PARTY AND SOME PEKEMAS BRANCHES TO FIELD CANDIDATES EVEN IF IT DOES NOT DO SO ITSELF. ON OTHER HAND, HARRIS, KITINGAN, AND AGRICULTURE AND FISHERIES MINISTER JAMES ONGKILL (WITH DEATH OF FUAD AND MOJUNTIN THEY HAVE BECOME BERJAYA'S THREE TOP STRATEGISTS) SEEM CONFIDENT THAT THEY WILL TAKE ALL FIVE SEATS, EVEN IN PAPAR WHERE LATE FINANCE MINISTER SALLEH SULLONG WON BY ONLY A NARROW MARGIN IN ELECTIONS WHICH ENDED APRIL 14.

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4. BERJAYA LEADERS WERE VERY CHARY ABOUT NAMING POSSIBLE CANDIDATES BUT FUAD'S WIDOW, TOH PUAN HAJJAH RAHIMAH, AN CANNY AND FORCEFUL WOMAN, IS CONSIDERED A SHOO-IN IN HIS OLD CONSTITUENCY OF KIULU. ONE OF PETER MOJUNTIN'S YOUNGER BROTHER'S, CONRAD, IS TIPPED TO RUN FOR HIS BROTHER'S SEAT IN MOYOG, WHILE TWO PROMINENT CHINESE BUSINESSMEN ARE BEING CONSIDERED FOR THE LATE MINISTER OF COMMUNICATIONS AND WORKS CHONGTHIAN VUN'S SEAT IN KOTA KINABALU (KK). PRESS SOURCES REPORT THAT BERJAYA WOULD LIKE A PRIMINENT KK LAWYER, THOMAS JAYASURIYA, TO RUN FOR FORMER ASST MINISTER DAUIUS BINON'S SEAT IN TANJUNG ARU (A KK SUBURB) AND ARE LOOKING FOR A MUSLIM BUMIPUTRA TO RUN FOR SALLEH'S SEAT IN PAPAR.

5. AUSTRALIAN BROADCASTING SYSTEM ANNOUNCED LAST TUESDAY NIGHT (JUN 22) THAT INVESTIGATING TEAM FROM GOVT AIRCRAFT FACTORY (GAF) HAD DETERMINED CRASH OF GAF NOMAD WHICH KILLED FUAD WAS DUE TO PILOT ERROR, HOWEVER, DETAILS HAVE YET TO BE RELEASED BY GOM. AUSTRALIAN HIGH COMMISSION FORST SECRETARY HERE, WHO ALSO LICENSED PILOT, TOLD EMBOFF IN CONFIDENCE JUNE 30 THAT PROBLEM WAS ONE OF IMPROPER LOADING, E.E., PURCHASES FROM LABUAN FREE PORT STORES SUCH AS TELEVISION SETS WERE PLACED IN SEATS IN AFT OF CABIN INSTEAD OF IN NOSE CARGO COMPARTMTNE. AS RESULT, WHEN FLAPS WERE EXTENDED AND NOSE LOWERED FOR STOL LANDING CENTER OF GRAVITY WAS INCORRECT, NOSE CAME UP, AND PLANE FELL OFF ON ONE WING IN A SPIN WHICH COULD NOT BE CORRECTED BECAUSE OF LOW ALTITUDE. THIS JIBES WITH STATEMENTS OF BERJAYA OFFICIALS THAT PLANE DID NOT HAVE FULL PASSENGER LOAD BECAUSE OF LUGGAGE AND PURCHASES STACKED IN REAR SEATS. MOST BERJAYA LEADERS APPEAR TO ACCEPT PILOT ERROR WOULD BE VERDICT BUT THIS HAS NOT KEPT DOWN SPATE OF SUPERSTITIOUS RUMORS, SOME ACCORDING TO ONGKILI DELIBERATELY SPREAD BY USNO SUPPORTERS, THAT ALL TOP LEADERS OF PARTY INCLUDING HARRIS, KATINGAN AND HIMSELF ARE DOOMED TO DIE. ONGKILI CLAIMS POLICE SPECIAL BRANCH HAVE ARRESTED SULUKS, TUN MUSTAPHA'S CLAN,

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ACTION EA-09

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

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C O N F I D E N T I A L SECTION 2 OF 2 KUALA LUMPUR 3785

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6. COMMENT. ALTHOUGH STILL VERY WARY OF TUN MUSTAPHA'S POWER AND SYED KECHIK'S AND DZULKIFLI'S ABILITY TO DO DAMAGE (THEY ATTRIBUTE BOMBING OF EARLY MAY TOO PLOT BY KECHIK AND DZUL WHICH AIMED ULTIMATELY AT ASSASSINATION OF FUAD, HARRIS AND ONGKILI -- K.L. 2680), BERJAYA LEADERSHIP IS CONFIDENT OF WINNING BY-ELECTIONS AND IS GOING AHEAD WITH ITS PROGRAM OF REFORMING STATE ADMINISTRATION. FOR EXAMPLE, THE SABAH FOUNDATION HAS BEEN PUT UNDER FUAD'S WELL-RESPECTED BROTHER DATUK BEN STEPHENS, AND SABAH SIR'S COSTLY FLEET OF AIRCRAFT IS BEING SOLD OFF. IN ADDITION, THE BERJAYA CABINET HAS SIGNED AN AGREEMENT WITH PETRONAS GIVING UP CONTROL OF OIL EXPLOITATION IN THE STATE AND RECEIVED ITS FIRST PAYMENT OF ALMOST U.S. 4 MILLION DOLLARS REPRESENTING ITS SHARE OF OFFSHORE OIL REVENUES. CONSIDERING THE CLOSE RELATIONSHIP WITH THE FEDERAL GOVERNMENT AND PRIME MINISTER HUSSEIN'S CLEAR SUPPORT

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FOR BERJAYA AS REPRESENTED IN ITS ADMISSION  
TO THE NATIONAL FRONT AHEAD OF USNO( HENCE  
USNO'S AGREEMENT TO ABIDE BY NF RULES AND NOT  
CONTEST THE COMING BY-ELECTIONS) BERJAYA WOULD  
APPEAR TO HAVE FOUR OR MORE YEARS OF RELATIVELY  
CLEAR SAILING UNTIL IT WILL HAVE TO OBTAIN  
A NEW MANDATE FROM SABAHANS.  
UNDERHILL

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